

**Amicorp FS (UK) Plc**  
(‘AMIF’, the ‘Company’ or the ‘Group’)

**Interim Results**

*Trading in-line with management expectations*  
*Well placed to take advantage of growth in outsourcing of fund administration services*

Amicorp FS (UK) Plc, the international specialist fund services group, is pleased to report its maiden set of interim results for the six months ended 30 June 2023 (‘H1-2023’ or the ‘period’). The Board is pleased to report a successful period of trading in line with management expectations and is confident in the Group’s ability to maintain this level of performance into H2-2023.

**H1-2023 Financial Highlights**

- Total revenue increased by 3.1% to US\$7.1 million (H1 2022: US\$6.9 million). This growth was largely driven by a 65% increase in revenues by the Assurance and Governance Services division when compared to H1-2022
- Gross profit of US\$4.8 million is equivalent to a 68.1% margin to total revenue
- Adjusted EBITDA of US\$2.5 million represents a 34.9% margin to total revenue
- EBITDA of US\$1.2 million, after offsetting the one-time IPO and post-IPO expenses

**H1-2023 Operational Highlights**

- Successful IPO on the Main Market of the London Stock Exchange on 8 June 2023, alongside a placing of new Ordinary Shares raising US\$6.5 million before expenses and a placing of existing Ordinary Shares of US\$9.7 million
- Opening of Brazil office at the start of 2023 following receipt of regulatory approval
- Undergoing application process for a fund administration license in the Dubai International Financial Centre (‘DIFC’)
- Creation of Assurance and Governance Services to expand the Group’s offerings including ESG and corporate governance support

**Commenting on the Interim Results, Toine Knipping, Non-Executive Chairman of AMIF, said:**

“Following our successful listing on the Main Market of the London Stock Exchange in June this year, the business has continued to perform well both operationally and financially, on the back of strong organic growth and further diversification, evidenced by the improvement in the Assurance and Governance Services part of the business.

“Asset managers and fund providers continue to outsource back office functions due to increasingly complex compliance requirements and inflationary staff costs. AMIF is ideally positioned to gain market share in this environment with its strong track record, ability to offer a full suite of fund management services and its in-depth understanding of the regulatory back drop across multiple different geographies, especially in emerging markets.

“We will continue to innovate and invest heavily in the business, so that our operating platform can support AMIF’s ambitious expansion plans. This will also enable our systems and processes to be rolled out more easily to a wider range of future clients, thereby driving a higher operating margin and supporting our capital light business model.”

## Market Abuse Regulation Disclosure

*The information contained within this announcement is deemed by the Company (LEI: 21380028AUYWGMXYQA57) to constitute inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended ('UK MAR'), and Article 7 of the Market Abuse Regulation (EU) No. 596/2014 ('EU MAR'). The person responsible for arranging and authorising the release of this announcement on behalf of the Company is Stephen Wong, Chief Financial Officer.*

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### **Notes to Editors**

AMIF is an international specialist fund services group that works with a broad mix of clients including institutional investors, fund managers (private equity, venture capital and hedge funds) as well as family offices to provide a suite of specialist services across global markets. AMIF operates at significant scale, providing local and global expertise to over 460 active funds.

AMIF provides a comprehensive and tailored range of services which are all underpinned by market-recognised technology solutions that support clients across the value chain, from a single point of contact.

These include:

- **Fund Administration & Investor Services:** Fund accounting, fund administration, in-house NAV calculation, investor services including Register & Transfer Agency services, booking of subscriptions & redemptions, audit liaison/support, real time oversight over investment performance.
- **Assurance and Governance Services:** FATCA and CRS reporting services, Fiduciary, Anti-Money Laundering (AML) officer services in compliance with international rules and regulations including administrative support to the Board and Committees of the Board.
- **BPO Services:** Simplifying accounting and administration services through automated accounting processes and providing management insight into business operations through regular and consistent management reporting.

For further information please visit [www.amicorp-funds.com/chairmans-welcome/](http://www.amicorp-funds.com/chairmans-welcome/)

## **Chief Executive Officer's Report**

### **Admission to Main Market**

The placing that accompanied AMIF's Admission to the Main Market raised US\$16.2 million before expenses, of which US\$6.5 million was raised to enable the Group to take advantage of continued growth in the outsourcing of fund administration services, which has arisen as a result of diversification in the asset management industry and increasing regulatory and compliance requirements. The Board is pleased with the decision to list on the Main Market of the London Stock Exchange which has already led to an increase in the number of inbound enquiries due to AMIF's enhanced profile and status as a listed company.

### **Business Summary**

AMIF's business is derived from regulatory requirements in jurisdictions where funds have independent fund administration. Moreover, as levels of regulation have increased over recent years, there has been an increasing trend for asset managers, institutions and family offices to shift towards outsourcing administrative and other services to specialist service providers, in order to focus resources on their core businesses instead of increasing administration, regulatory and reporting requirements.

AMIF currently provides the following services to its clients:

#### **Fund Administration**

##### *Fund onboarding*

Whilst the Group does not provide any legal, tax or fund structuring advisory services, it does conduct internal reviews of fund documentation relevant to its fund administration services in order to facilitate the successful launch of a fund.

##### *Registrar and transfer agency and NAV calculation*

The Group, in its capacity as a fund administrator, implements and applies Know-Your-Client ('KYC') and Anti-Money Laundering ('AML') policies and procedures adopted by the relevant funds, meeting the applicable regulatory requirements in order to collect relevant KYC documents from investors.

The Group's fund administration services also include:

- performing risk screening procedures
- due diligence processes on investors (for example to identify any politically exposed persons ('PEPs')) or individuals involved in criminal activities or corruption
- communicating with asset managers and local regulators to ensure regulatory compliance
- processing subscription, transfer and redemption requests
- maintaining registers of investors; and
- treasury management.

##### *Net Asset Value Calculation*

The Group acts as an independent party to maintain funds' financial records, carry out periodic reconciliations of transactions, fee computations, as well as calculating the Net Asset Value ('NAV') of the funds in line with the Private Placing Memorandum ('PPM') issued in respect of the relevant fund.

##### *Preparation of financial statements*

As fund administrators, the Group works closely with auditors, providing relevant schedules and draft financial statements.

## **Assurance and Governance services** (previously known as Regulatory and Compliance services)

### *AML services*

The Group designs and implements bespoke KYC and AML policies and procedures for funds and client structures to assist them in maintaining a proper risk framework as required in the relevant jurisdiction.

Most jurisdictions in which the Group provides funds services mandate the appointment of qualified individuals to be designated as Anti-Money Laundering Officers with responsibility for overseeing the AML policies and controls of the fund, evaluating transactions and determining whether any identified suspicious transactions should be reported to the relevant authorities.

### *Directorship services*

The Group provides directorship services to a range of clients, including asset managers, family offices and financial professionals to provide independent oversight of the clients' business activities.

Acting as a director of the fund enables the Group to more closely monitor the funds by accessing both financial and non-financial information and checking that subscription proceeds are being deployed in accordance with the fund's PPM. The appointed director may also participate in the decision-making process on matters which may require independent judgment, such as dividend distributions, late redemptions or subscription and appointment of third-party service providers.

### *Board support services*

The Group provides board support and related administrative services including preparation of meeting agenda, preparation and presentation of relevant reports (namely AML reports, NAV reports, suspicious transaction reports, exceptional reports, regulatory updates and compliance reports), preparation of meeting minutes and coordination of other corporate secretarial activities for fund clients.

### *FATCA, CRS and other tax reporting services*

The Group provides services to assist the proper classification, registration and reporting of funds for FATCA, CRS and other tax compliance purposes.

## **Business Process Outsourcing services**

### *Accounting and corporate services*

The Group provides accounting and/or corporate services to general partners, investment management companies and special purpose vehicles associated with the Group's fund clients to meet their demand for streamlining their resources.

The Group also offers accounting services to client companies investing in financial instruments through the Group's automated fund accounting system.

## Operational and Strategic Review

### Fund Administration

#### Client Base

	H1-2023	H1-2022	FY-2022
Number of funds at start of period/year	444	393	393
New funds	39	46	105
Funds terminated	(20)	(5)	(54)
<b>Number of funds at period/year end</b>	<b>463</b>	<b>434</b>	<b>444</b>

The growth in number of funds has been robust and as expected. In the last six months the number of funds has grown organically at an annualised rate of 8.6% from 444 on 1 January 2023 to 463 on 30 June 2023. While the number of new funds was comparable to H1-2022, the Group has experienced more terminations in H1-2023 arising from the following:

- Withdrawal of investors' commitment or investment owing to unfavourable market conditions;
- Voluntary closure of funds due to restructuring or changes in investment strategy; and
- Cancellation because of difference in risk appetite.

In view of maximising the Group's organic growth, AMIF has also actively expanded its geographic presence in both developed and emerging markets, as follows:

AFS Brazil LTDA became fully operational at the start of 2023 upon receiving regulatory approval from the Comissão de Valores Mobiliários ('CVM') to offer fiduciary investment fund administration services. The license is specifically dedicated to overseeing private equity funds ('FIP'), which experienced the fastest growth in the local investment fund sector over the last ten years. Throughout H1-2023, substantial efforts were dedicated to establishing Amicorp Fund Services as a FIP administrator in the Brazilian market, including but not limited to a significant event featuring the presence of the CVM with industry professionals from investment managers, law firms, and strategic partners.

Dubai is one of the major financial centres in the Middle East where global family offices, asset managers and institutional investors from Europe and Asia have a significant presence. The Group has been administering funds managed by asset managers and family offices there since 2021. As AMIF's client base continues to grow in Dubai, it has become strategically important to have a local presence. The Group started the application process for the fund administration license in Dubai International Financial Centre ('DIFC') in March 2023. It is expected the license will be granted and a new office will be opened in Q4-2023. The application process has commenced to obtain the relevant license in Abu Dhabi and the Group is also assessing the feasibility of applying for a fund administration license in Saudi Arabia.

#### Outlook for Fund Administration – H2-2023

In the period from 1 July 2023 to 31 August 2023, the Group has continued to grow the number of funds under administration with a total of 17 new wins at the start of H2-2023, and the number of new wins in H2 is expected to outweigh the number achieved in H1, based on historical trends. It is also important to note that a major portion of recurring income from fund administration services is only realised upon successful fund launch. The timing of fund launch is influenced by external factors like fund raising capability of fund managers, approval process of relevant authorities, economic conditions and market sentiment.

In September 2023, the Group obtained approval from Commission de Surveillance du Secteur Financier ('CSSF') of Luxembourg to separate the fund services element of an existing license held within Amicorp Group. Following that, the application for depositary lite license in Luxembourg is expected to start, which would be complementary to the Group's fund administration business with enhanced services and revenue base.

Continuous expansion of AMIF's sales network in strategic locations remains important for organic growth of the Group's fund administration business. The key strategic locations for sales expansion are in the UAE, Mexico, Luxembourg and Singapore, where the Group is strengthening its presence, collaborating with complementary services providers such as legal firms, investment advisors and asset managers, to expand the Group's reach to new prospects.

The application process has commenced for fund administration and specialised depositary licenses in Ireland to expand AMIF's business reach in Europe. The application process should take between nine to twelve months. The objective of obtaining fund administration and specialised depositary licenses in Ireland is to meet the demand of clients who prefer a common law fund jurisdiction with European passport (i.e., the regulatory framework that allows asset management firms based in one European Union ('EU') member state to offer their investment services and manage assets for clients in other EU member states without the need for additional regulatory approvals in each country).

On the operation side, the Group has been moving towards automation of the existing fund administration process. With the deployment of some of the IPO proceeds, it is expected that an automated tool for fund manager and investor onboarding will be completed and go live in H2-2023. The Group is continuously assessing the effectiveness of its existing IT infrastructure and finding opportunities for further technology integration to improve operational efficiency.

### **Assurance and Governance services**

The Group actively pursued the expansion of the Assurance and Governance services segment to reach 391 mandates in H1-2023 (versus 240+ mandates in H1-2022), which primarily include the extra engagements for AMLCO (Anti-Money Laundering Compliance Officer), MLRO (Money Laundering Reporting Officer), DMLRO (Deputy Money Laundering Reporting Officer) and Directorship services. The growth in the current year was a result of multidirectional efforts in securing the mandates in the last twelve months from existing customers and a well-defined revenue model.

The revenue model includes packaged responsibility fees billed annually in advance for the mandates and a time spent component billed at hourly charge-out rates. Keeping accurate time records is not only mandatory for such officers assuming fiduciary responsibility by defining minimum board, MLRO and/or fiduciary meetings per year as per statutory requirements, but it also helps keep track of the quality of services and compliance to the commitment defined by the laws and regulations. Another source of revenue that will be realised in H2-2023 is the fees billed towards conducting of Annual Training Fees to the Investment or Asset Managers and responsible officers as mandated by regulators.

### **Outlook for Assurance and Governance services – H2-2023**

The twelve-month plan for building growth under Assurance and Governance services is to expand the scope of services which can be summarised below. While the regulations globally are being updated, with a focus on Environmental and Social Governance ('ESG') and Enterprise Risk management ('ERM'), the Group is preparing itself to be one of the leading service providers of these services and a one-stop service provider for AMIF's clients.

In developing Assurance and Governance services, the Group continues to adhere to its vision in organisational team structure, by the extensive deployment of its centres of excellence in Bangalore and Mauritius, complemented by the expertise in local offices. This delivery model, which is summarised below, is believed to accommodate growth, build expertise and maintain high levels of operating efficiency.

- Review and generation of reports happen in the existing fund administration system as a central source, duly maintained by the teams in Bangalore and Mauritius;
- The reports are then reviewed by the named officers who comment and approve, and discuss exceptions with clients; and
- To ensure diversity of experiences to the staff, appointment of external qualified officers with relevant experiences in the respective field is expected.

While the major growth in mandates in H1-2023 was driven by new business from existing clients, the plan for the coming months is to focus on new business from new clients and third-party service providers. The additional efforts will be invested in:

- Organisation of marketing events in the Cayman Islands, British Virgin Islands and Dubai to target investment managers, asset managers and licenced funds;
- Seeking registration as preferred delivery partner with renowned professionals;
- Offering AML setup and consultancy services;
- Investment in automation for statutory reports generation; and
- Provision of trainings to third parties as mandated by regulators.

### **Business Process Outsourcing services**

The Group adjusted its targeted customer group of Business Process Outsourcing services to include single or multiple family offices and discretionary accounts managed by professional asset managers. The Group also provides assistance towards the conversion from traditional holding structures to fund structures as a more effective, secure and financially rewarding solution for cross-border investment strategies. These changes which are seen to be prompt reactions towards the evolving market trends will ensure the Group continues meeting the needs of clients, by taking away the burden of managing essential and often complex back-office tasks.

In Luxembourg, the Group is equipped with corporate services infrastructure to act as a trusted one-stop shop for the comprehensive fund structure formation and ongoing administrative support. The sales team has been tasked to actively pursue combined fund administration and corporate services when they come across Luxembourg opportunities.

In H1-2023, the Group carried out an efficiency transformation campaign to maximise the operational synergy between its Business Process Outsourcing team and Fund Administration team, by leveraging on their relevant and similar expertise of financial statement delivery and audit liaison. Although the campaign reduced slightly the external chargeable time of the Business Processing Outsourcing team, it is considered to be an initial step towards further automation and enhanced operational efficiency.

### **Outlook for Business Process Outsourcing services – H2-2023**

The Group aims to continue with the initiatives taken, especially the integration between the Business Process Outsourcing team and Fund Administration team. The Group's vision is to consolidate the accounting skillsets and level up the team to become a technical champion for accounting related services and matters.

From a technology and innovation perspective, the Group is seeking system efficiency by subscription of additional suitable tools or enhanced deployment of its existing software for accounting and financial statement preparation tasks.

Continuing the focus on value added services under each business line, the plan for the coming twelve months is to provide CFO and CFO assist services to clients under the current BPO portfolio. The plan is to upgrade the current service contracts from bookkeeping and accounting services to value added management reporting and CFO assist services and further provide the same services to external clients.

### **Outlook for the Group**

We are pleased to report a strong performance in the first half of the year. There has also been a positive uptick in new funds onboarded at the start of the second half and we remain comfortable that the business will trade in-line with management expectations for the full year. AMIF is ideally positioned to play a consolidator role in the fragmented fund services market due to its scale, breadth of services and long-term track record. The Board looks to the future with confidence.

**Chi Kin Lai**  
**Chief Executive Officer**  
27 September 2023

## Group H1-2023 Income Statement

	H1-2023 US\$'000	H1-2022 US\$'000	Change %	FY-2022 US\$'000
<b>Revenue</b>				
Fund administration	4,347	4,297	1.2%	7,823
Business process outsourcing services	2,065	2,166	(4.7)%	3,272
Assurance and governance services	675	409	65.0%	814
<b>Total Revenue</b>	<b>7,087</b>	<b>6,872</b>	<b>3.1%</b>	<b>11,909</b>
Payroll and remuneration costs	(3,461)	(2,607)	32.8%	(5,397)
Rent and occupancy	(262)	(428)	(38.8)%	(783)
Professional fees	(227)	(74)	206.8%	(356)
IT expenses	(297)	(266)	11.7%	(547)
Foreign currency gain	33	43	(23.3)%	28
Other operating expenses	(403)	(230)	75.2%	(692)
<b>Adjusted EBITDA*</b>	<b>2,470</b>	<b>3,310</b>	<b>(25.4)%</b>	<b>4,162</b>
IPO expenses	(1,201)	(502)	139.2%	(906)
Post-listing expenses**	(49)	-	N/A	-
<b>EBITDA</b>	<b>1,220</b>	<b>2,808</b>	<b>(56.6)%</b>	<b>3,256</b>
Other (losses) / gains	(37)	22	(268.2)%	38
Finance costs	(23)	(18)	27.8%	(39)
Depreciation expenses	(132)	(43)	207.0%	(128)
<b>Profit before income tax</b>	<b>1,028</b>	<b>2,769</b>	<b>(62.9)%</b>	<b>3,127</b>
Income tax expense	(298)	(579)	(48.5)%	(829)
<b>Profit for the period / year</b>	<b>730</b>	<b>2,190</b>	<b>(66.7)%</b>	<b>2,298</b>
<b>Employee costs as a percentage of revenue*</b>	<b>48.8%</b>	<b>37.9%</b>	<b>10.9%</b>	<b>45.3%</b>

\* These measures are Alternative Performance KPIs, which are not defined under IFRS and are therefore termed "non-IFRS" KPIs. These KPIs supply additional useful information on the underlying trends, performance and position of the Group. These alternative performance KPIs used may not be directly comparable with similarly titled measures used by other companies.

\*\* Post-listing expenses are one-time or recurring expenses arising from listing obligations which depends on successful admission. By excluding these from adjusted EBITDA, the management believes that the Alternative Performance KPI could precisely reflect the performance of the Group's ordinary business operation. For details, please refer to Financial Review session below.

## Financial Review

### Revenue

Revenue increased by 3.1% to US\$7.1 million (H1-2022: US\$6.9 million), which was contributed by:

- **Fund Administration** revenue remained flat at US\$4.3 million in H1-2023 (H1-2022: US\$4.3 million). Despite the increase in the net number of funds as compared to H1-2022, the Group was partly affected by the increased closure and termination of funds as investors redeemed from or withdrew interest in operating funds due to uncertain market conditions. Fund launches were also slowed down due to challenges in fund raising amid global inflation staying at an uncomfortably high level. Having said that, the Group continued to prove its strength in client retention and stability of recurring revenue from its diversified client base.
- **Assurance and Governance services** revenue increased by 65% to US\$0.7 million in H1-2023 (H1-2022: US\$0.4 million), which is in line with the increase in AML officer and directorship mandates to 391 in June 2023 from 240+ mandates in June 2022, predominantly associated with the Group's fund clients domiciled in the Cayman Islands and Luxembourg. The Group charges a packaged service fee that covers the defined minimum statutory requirements for each mandate, plus a variable time-spent fee for value-added services to fulfil the relevant fiduciary responsibilities. The Group has been engaging in proactive marketing of this business line, intending to widen the service offerings and create value for its clients.
- **Business Process Outsourcing services** revenue experienced a slight decrease of 4.7% to US\$2.1 million in H1-2023 (H1-2022: US\$2.2 million). The growing revenue from corporate services from external client entities was offset by the drop of revenue from the Intragroup Outsourcing Agreement with Amicorp Group, which is caused by the efficiency transformation campaign described in the Operational and Strategic Review section above.

The seasonal element of Fund Administration and Business Process Outsourcing services revenue remains applicable, specifically arising from revenue recognition of financial statement preparation work which falls on the first half of the year.

### Payroll and remuneration costs

The Group reported an increase of US\$0.8 million, or 32.8%, in payroll and remuneration costs in H1-2023 (H1-2022: US\$2.6 million). Such an increase, arising from the addition of six sales employees and ten production employees compared to H1-2022, represents the Group's continuous strategic investments in human capital, with an aim to enhance their capabilities which contribute to the Group's growth, innovation and overall success over the long term.

The table below summarises the Group's headcount by geographical locations as at the period/year end:

	H1-2023	H1-2022	FY-2022
Chile	13	11	12
Hong Kong	7	6	7
India	45	47	45
Luxembourg	8	10	8
Others	35	16	29
<b>Total Group Headcount</b>	<b>108</b>	<b>90</b>	<b>101</b>

The major incremental payroll and remuneration costs spread across the following strategic locations:

- **Brazil (H1-2023: US\$201k; H1-2022: US\$140k)** being a newly licensed office established the necessary organisational structure required by CVM, via the addition of two production employees into the team. Such infrastructure provides adequate workforce, capability, and expertise to cope with new business opportunities arising from the continuous sales and marketing efforts, together with local fiscal, tax, and economic reforms.
- **Chile (H1-2023: US\$375k; H1-2022: US\$225k)** being one of the fast-growing emerging markets has a complex macroeconomy and inflation structure. Inflationary adjustments have therefore accounted for most of the increase in payroll and remuneration costs, as part of the Group's commitment to demonstrate fair compensation, minimise turnover, and reduce the associated costs of recruitment and training. Such stability in workforce and the onboarding of an Operation Manager would also contribute to the success of the Group's vision to expand the Chile office into the operation outsourcing centre of LATAM.
- **Curacao (H1-2023: US\$243k; H1-2022: US\$98k)** has been known to have a well-established and growing market for fund administration services. It continues to contribute significant revenue into the Group's LATAM operation. The increase in payroll and remuneration costs there arose solely from the addition of two sales employees whose focus is on the expansion of the Group's business in Curacao and LATAM via close collaboration with other strategic offices in that geographical area.
- **Dubai (H1-2023: US\$107k; H1-2022: US\$33k)** has been actively working to establish itself as a global financial hub, and its asset management sector has been a key part of this strategy. In view of its rapidly growing and transforming asset management industry, the Group recently enlarged its sales coverage by adding two more senior sales employees to the team, aiming to maximise its organic growth initiatives and capture a much wider spectrum across the whole Middle East region.
- **Hong Kong (H1-2023: US\$610k; H1-2022: US\$537k)** remains as the largest revenue generating office of the Group. The increase in payroll and remuneration costs in Hong Kong was attributable to inflationary adjustments and addition of one production employee. While the contribution from the pre-existing team was recognised, the new employee brought in useful skill sets to the team which speeded up the integration between Hong Kong and Singapore team based on proximities of both areas.
- **Mexico (H1-2023: US\$216k; H1-2022: US\$144k)** being one of the largest economies in Latin America has been benefiting from nearshoring opportunities because of its geographic proximities to the US, and existence of trade agreements with its regional neighbours. The Group has expanded its investment in Mexico through the addition of a sales employee and a production employee in H1-2023, who have collectively added to the strong pipeline and operation readiness to this relatively new office.

Followed by the successful admission, the Group's investment in human capital is expected to continue in the second half of 2023, in line with the adopted business strategies.

#### *Rent and occupancy*

Rent and occupancy represents cost recharged by Amicorp Group for their subletting and property service rendered to the Group based on various intercompany service agreements. At the same time, the Group charged to depreciation expenses in accordance with the adoption of IFRS16 for its five leases with third party landlords.

The decrease of rent and occupancy by US\$166k, or 38.8% to US\$262k in H1-2023 compared to US\$428k in H1-2022 was partially compensated by the increase in depreciation expenses because of the newly acquired third party lease in Hong Kong at lower rate.

#### *Professional fees*

Professional fees represent accounting, audit and tax compliance service fees for certain subsidiaries of the Group, legal fees for licensing application and legalisation of documents, as well as professional outsourcing relating to ordinary business.

The increase of professional fees by US\$153k, or 207% to US\$227k in H1-2023 compared to US\$74k in H1-2022 was attributed to the additional statutory audit and tax reporting obligations of newly incorporated subsidiaries and the application of fund administration license in DIFC of Dubai. In addition, the Group also undertook temporary engagements with external compliance services providers in Malta in H1-2022 to support local statutory compliance matters, which were duly completed pursuant to the relevant regulatory approval granted by MFSA ('Malta Financial Services Authority').

#### *IT expenses*

IT expenses comprise of the fees incurred for the use of the fund administration systems, Bloomberg terminal and other business-related systems.

IT expenses increased from US\$266k in H1-2022 to US\$297k in H1-2023 because of the newly incurred cloud hosting service for the fund administration system, and fee increment for the use of the Chilean operation system.

#### *Other operating expenses*

Other operating expenses consists of sales and marketing expenses, travelling expenses, statutory fees, office expenses, and other administrative expenses.

The increase in other operating expenses to US\$403k in H1-2023 from US\$230k in H1-2022 was due to increased travelling expenses arising from extensive overseas sales meetings and inter-office visits. Furthermore, the Group also actively pursued business development activities including subscription to a financial database, participation in professional associations, and the organisation and sponsorship of business development events.

#### *Post-listing expenses*

Post-listing expenses represent one-time or recurring expenses arising from listing obligations which was dependent on successful admission. Examples of post-listing expenses include the carved-out subscription to certain IT systems such as finance and accounting systems and Microsoft licenses, together with additional fees for the appointment of Executive and Non-Executive Directors.

Effective on Admission, the Group also expects to incur additional expenses such as statutory listing fee, professional indemnity insurance which were previously covered by Amicorp Group, as well as the engagements of ongoing professional advisers.

#### *Income tax expense*

The estimated income tax expense decreased to US\$298k in H1-2023 (H1-2022: \$579k), in line with the movement in the profit before income tax.

## H1-2023 Divisional Performance Overview

### H1-2023

	Fund administration US\$'000	Business process outsourcing US\$'000	Assurance and governance US\$'000	Total US\$'000
Revenue	4,347	2,065	675	7,087
Direct staff costs	(1,557)	(179)	(238)	(1,974)
Other direct costs	(284)	-	-	(284)
<b>Gross profit</b>	<b>2,506</b>	<b>1,886</b>	<b>437</b>	<b>4,829</b>
<b>Gross profit margins</b>	<b>57.6%</b>	<b>91.3%</b>	<b>64.7%</b>	<b>68.1%</b>

### H1-2022

	Fund administration US\$'000	Business process outsourcing US\$'000	Assurance and governance US\$'000	Total US\$'000
Revenue	4,297	2,166	409	6,872
Direct staff costs	(1,254)	(147)	(120)	(1,521)
Other direct costs	(233)	-	-	(233)
<b>Gross profit</b>	<b>2,810</b>	<b>2,019</b>	<b>289</b>	<b>5,118</b>
<b>Gross profit margins</b>	<b>65.4%</b>	<b>93.2%</b>	<b>70.7%</b>	<b>74.5%</b>

### FY-2022

	Fund administration US\$'000	Business process outsourcing US\$'000	Assurance and governance US\$'000	Total US\$'000
Revenue	7,823	3,272	814	11,909
Direct staff costs	(2,581)	(293)	(273)	(3,147)
Other direct costs	(514)	-	-	(514)
<b>Gross profit</b>	<b>4,728</b>	<b>2,979</b>	<b>541</b>	<b>8,248</b>
<b>Gross profit margins</b>	<b>60.4%</b>	<b>91.0%</b>	<b>66.5%</b>	<b>69.3%</b>

Fund Administration, Business Process Outsourcing and Assurance and Governance segments deliver gross profit margin of 58%, 91% and 65% respectively in H1-2023. These result from the Group's additional investment in the form of additional experienced production employees, as well as the newly subscribed cloud hosting and fee increment of fund administration systems. All in all, these three segments contribute to 68% of overall gross profit margin for H1-2023, compared to 75% for H1-2022.

These continue demonstrating the consistently high gross profit margins of around 70% for the Group.

**Unaudited Condensed Consolidated Financial Statement  
For the six months ended 30 June 2023**

	Notes	6 months to 30 June 2023 Unaudited US\$'000	6 months to 30 June 2022 Unaudited US\$'000
Revenue	5	7,087	6,872
Payroll and remuneration costs	7	(3,493)	(2,607)
Rent and occupancy		(262)	(428)
Professional fees		(227)	(74)
IT expenses		(314)	(266)
Depreciation expenses		(132)	(43)
IPO expenses		(1,201)	(502)
Foreign exchange gain		33	43
Other operating expenses	6	(403)	(230)
<b>Operating profit</b>		<b>1,088</b>	<b>2,765</b>
Other (losses) / gains		(37)	22
Finance costs		(23)	(18)
<b>Profit before income tax</b>	5	<b>1,028</b>	<b>2,769</b>
Income tax expense	8	(298)	(579)
<b>Net profit after tax</b>		<b>730</b>	<b>2,190</b>
<b>Other comprehensive income / (loss)</b>			
Foreign currency translation		20	(27)
<b>Total comprehensive income</b>		<b>750</b>	<b>2,163</b>
<b>Earnings per ordinary shares</b>		<b>US\$</b>	<b>US\$</b>
Basic EPS		0.01	0.02
Diluted EPS		0.01	0.02

**Unaudited Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2023**

	Notes	30 June 2023 US\$'000	31 December 2022 US\$'000
<b>Non-current assets</b>			
Tangible assets		114	76
Right of use assets	11	601	364
Investment		28	61
Deferred tax assets		272	263
		<u>1,015</u>	<u>764</u>
<b>Current assets</b>			
Trade receivables	9	1,186	1,521
Other receivables, deposits and prepayments		1,616	637
Amounts due from related companies	13	2,454	6,515
Cash and cash equivalents		5,092	875
		<u>10,348</u>	<u>9,548</u>
<b>Total assets</b>		<u>11,363</u>	<u>10,312</u>
<b>Current liabilities</b>			
Trade payables		94	201
Accrued payroll and employee benefits		392	288
Other provisions and payables	10	203	129
Lease liabilities	11	227	146
Deferred consideration payable	10	231	213
Income tax payable		394	1,117
		<u>1,541</u>	<u>2,094</u>
<b>Net current assets</b>		<u>8,807</u>	<u>7,454</u>
<b>Total assets less current liabilities</b>		<u>9,822</u>	<u>8,218</u>
<b>Non-current liabilities</b>			
Lease liabilities	11	385	237
		<u>385</u>	<u>237</u>
<b>Total liabilities</b>		<u>1,926</u>	<u>2,331</u>
<b>NET ASSETS</b>		<u>9,437</u>	<u>7,981</u>
<b>Equity</b>			
Share capital		120	114
Share premium		6,462	-
Foreign exchange reserves		(180)	(200)
Merger reserves		2,244	2,244
Distributable reserves		-	4,666
Retained earnings		791	1,157
<b>Total equity</b>		<u>9,437</u>	<u>7,981</u>

**Unaudited Condensed Consolidated Statement of Changes in Equity  
For the six months ended 30 June 2023**

	Share capital US\$'000	Share premium US\$'000	Forex translation US\$'000	Merger reserves US\$'000	Retained earnings US\$'000	Distributable reserves US\$'000	Total US\$'000
<b>As at 1 January 2023</b>	114 <sup>1</sup>	-	(200)	2,244 <sup>3</sup>	1,157	4,666 <sup>4</sup>	7,981
Share additions	6	6,462 <sup>2</sup>	-	-	-	-	6,468
Profit for the period	-	-	-	-	730	-	730
Transferred to distributable reserve	-	-	-	-	(259)	259	-
Pre-listing Dividends	-	-	-	-	(837)	(4,925)	(5,762) <sup>5</sup>
Foreign currency translation	-	-	20	-	-	-	20
<b>As at 30 June 2023</b>	<b>120</b>	<b>6,462</b>	<b>(180)</b>	<b>-</b>	<b>791</b>	<b>-</b>	<b>9,437</b>

	Share capital US\$'000	Share premium US\$'000	Forex translation US\$'000	Merger reserves US\$'000	Retained earnings US\$'000	Distributable reserves US\$'000	Total US\$'000
<b>As at 1 January 2023</b>	114 <sup>1</sup>	-	(240)	2,244 <sup>3</sup>	888	2,638 <sup>4</sup>	5,644
Profit for the period	-	-	-	-	2,190	-	2,190
Transferred to distributable reserve	-	-	-	-	(1,014)	1,014	-
Foreign currency translation	-	-	(27)	-	-	-	(27)
<b>As at 30 June 2023</b>	<b>114</b>	<b>-</b>	<b>(267)</b>	<b>2,244</b>	<b>2,064</b>	<b>3,652</b>	<b>7,807</b>

<sup>1</sup>This represents the share capital of the Company, immediately prior to being inserted as a holding company of the Group described in Note 2(a). The share capital amounted to US\$62k on its incorporation date being 3 March 2023, and increased to US\$114k on 23 May 2023 due to additional share issuance. According to the merger accounting principles outlined in Note 3(d),

the Group is treated as if the Company, together with its subsidiaries, had collectively existed and been merged throughout the current and comparative accounting periods, and hence this share capital of US\$114k is presented as the opening balance on consolidation.

<sup>2</sup> On 8 June 2023, the Company successfully raised gross proceeds of US\$6.47 million through a placing of 6,468,000 ordinary shares, at the par value of US\$0.001 each share. The difference between the placing price and the nominal value of the shares constitutes the share premium.

<sup>3</sup> The details regarding the accounting policy for the merger reserve are described in Note 3(d).

<sup>4</sup> The opening balance represents certain net earnings of prior years according to the carve-out principles of the HFI included in the listing prospectus dated 5 June 2023, at the time when the Group was previously not yet formed as a separate standalone legal entity or group of entities.

<sup>5</sup> Pre-listing dividends of \$5.8m had been declared by Amicorp Fund Services Asia Limited, before the Company, Amicorp FS (UK) Plc, was inserted on 26 May 2023 as the holding company of the Group, in line with the listing prospectus dated 5 June 2023.

**Unaudited Condensed Consolidated Statement of Cash Flows  
For the six months ended 30 June 2023**

	Period ended 30 June	
	2023 US\$'000	2022 US\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,028	2,769
Adjustments for:		
Depreciation of tangible asset	16	1
Depreciation of right of use assets	116	42
Realised and unrealised foreign exchange gain	(33)	(43)
Fair value loss/ (gain) from an investment measured at FVTP&L	37	(22)
Finance costs	23	18
	<b>1,187</b>	<b>2,765</b>
Decrease in trade receivables	335	467
Increase in other receivables, deposits and prepayments	(861)	(266)
Increase in amounts due from related companies	(1,726) <sup>1</sup>	(2,550)
Increase / (decrease) in accrued payroll and employee benefits	104	(69)
(Decrease) / increase in trade payables	(91)	30
Increase / (decrease) in other provisions and payables	91	(22)
<b>Cash (used in)/ generated from operations</b>	<b>(961)</b>	<b>355</b>
Income tax paid to tax authorities	(752)	(115)
Income tax settled through amounts due from related companies	(265)	(451)
<b>Net cash flows used in operating activities</b>	<b>(1,978)</b>	<b>(211)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible assets	(51)	(7)
Proceeds from a placing of additional ordinary shares	6,324	-
<b>Net cash flows generated from/ (used in) investing activities</b>	<b>6,273</b>	<b>(7)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of principal portion of lease liabilities	(110)	(44)
<b>Net cash flows used in financing activities</b>	<b>(110)</b>	<b>(44)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>4,185</b>	<b>(262)</b>
Cash and cash equivalents at beginning of period	875	937
Exchange difference	32	(46)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>5,092</b>	<b>629</b>

<sup>1</sup> Pre-listing dividends of \$5.8m had been declared by Amicorp Fund Services Asia Limited, before the Company, Amicorp FS (UK) Plc, was inserted on 26 May 2023 as the holding company of the Group, in line with the listing prospectus dated 5 June 2023; these pre-listing dividends were non-cash payments settled via amounts due from related companies, and hence were excluded from this cash flow movement.

## Notes to the Unaudited Condensed Consolidated Financial Statements

### 1. GENERAL

These interim financial statements are the unaudited condensed consolidated financial statements for Amicorp FS (UK) Plc and its subsidiaries. Amicorp FS (UK) Plc (the 'Company'), a public limited company incorporated and domiciled in the United Kingdom, together with its subsidiaries (collectively, the 'Group'), is a provider of fund administration services, regulatory reporting, fiduciary services and multi-faceted business support alternatives for hedge funds, private equity funds and family offices investing in listed or unlisted equities, financial instruments, projects, real estate and various asset classes locally or globally.

The Group also offers administration and fiduciary services to special purpose vehicles associated with fund structures or entities with passive investment on financial instruments.

The address of the Company's registered office is 5 Lloyd's Avenue, London, United Kingdom, EC3N 3AE.

### 2. BACKGROUND AND BASIS OF PREPARATION

#### (a) Background and basis of the condensed consolidated financial information

The Group is a business division of Amicorp Group, which is a multinational organisation providing, in addition to fund administration services, a broad range of corporate management, capital market and financial services to clients globally with a dedicated network of international experts and specialists.

Since year 2018, newly incorporated subsidiaries of the Group and former subsidiaries of the Amicorp Group entered into multiple conditional agreements for the sale and purchase of the respective equity share capital of such former subsidiaries, being a set of fund administration services within the Amicorp Group.

The Group was not formed of a separate standalone legal group of entities, and the Company was incorporated on 3 March 2023 and inserted as the holding company of the Group on 26 May 2023.

As announced on 5 June 2023, the Company successfully raised gross proceeds of US\$6.47 million through a placing of 6,468,000 new ordinary shares, with a further placing of 9,702,000 existing ordinary shares that raised US\$9.70 million. On 8 June 2023, the Company was successfully admitted to the Main Market of the London Stock Exchange, as a holding company of the Group.

The insertion of the Company as the holding company of the Group constitutes a carve-out reconstruction involving transfer of shares in the Group's entities, in which merger accounting is applied. Accordingly, the condensed consolidated financial statements of the Group are prepared as if the Company, together with its subsidiaries, collectively had already existed before the start of the earliest period presented. The comparative information is, therefore, presented as if the carve-out reconstruction had already occurred, and it has been derived from the HFI included in the listing prospectus, primarily adjusted for the demerger equity, reserve and consolidation adjustments.

The condensed consolidated financial statements ("interim financial statements") of Amicorp FS (UK) Plc for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board, as adopted by the United Kingdom ("UK IAS"). These interim financial statements, which are unaudited, should be read in conjunction with the Group's Historical Financial Information ('HFI') as at and for the year ended 31 December 2022 included in the listing prospectus dated 5 June 2023, which is available on the Group's website.

The accounting policies adopted are consistent with those adopted by the Group in the HFI included in the listing prospectus. The condensed consolidated financial statements are presented in thousands of US Dollars ('US\$'000') unless otherwise indicated, and prepared under the historical cost convention and based upon the accounting policies disclosed below.

Where applicable, the Group has taken into account and implemented IFRS standards, along with any related interpretations and amendments, which were issued and effective as of 1 January 2023. The Group has not chosen to adopt any standards, interpretations, or amendments before their effective date. While there have been some new amendments effective in 2023, they are not considered to impact the condensed consolidated interim financial statements.

#### **(b) Entities included within the Group**

The financial position and financial performance of the following entities are included as part of the condensed consolidated financial statements:

Amicorp Fund Services Asia Limited  
Amicorp Fund Services Asia Limited (Singapore Branch)  
Amicorp Fund Services (Asia) Pte. Ltd.  
Amicorp (Shanghai) Consultants Ltd.  
Amicorp Fund Services N.V.  
Amicorp Fund Services N.V. (Barbados Branch)  
Amicorp Fund Services N.V. (Bahamas Branch)  
Administradora de Fondos de Inversión Amicorp S.A.  
Amicorp Administradora General de Fondos SA (formerly known as ECUS Administradora General de Fondos SA)  
AFS BRASIL LTDA.  
Soluciones y Servicios AFS México, S.A. de C.V.  
Amicorp Fund Services Malta Limited  
Amicorp Support Services Ltd  
Amicorp Fund Services (Mumbai) Private Limited  
Amicorp Fund Services (Mumbai) Private Limited (Bangalore Branch)  
Amicorp Fund Services (Cyprus) Ltd

#### **(c) Basis of measurement and going concern assumption**

The condensed consolidated financial statements have been prepared under the historical cost basis except for certain financial assets and liabilities which are measured at fair value in accordance with IFRSs. The measurement bases are fully described in the accounting policies below.

The significant accounting policies that have been used in the preparation of the condensed consolidated financial statements are summarised below. These policies have been consistently applied to years and periods presented unless otherwise stated.

It should be noted that accounting estimates and assumptions are used in preparation of the condensed consolidated financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates. The area involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the condensed consolidated financial statements, are disclosed in note 4.

#### **Going concern**

The Directors are satisfied that the Group has sufficient resources to continue in operation for the

foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed consolidated financial statements.

In assessing going concern, the Directors take into account the Group's cash flows, solvency and liquidity positions, and have considered a range of scenarios as part of their assessment. At the end of the period, the Group had cash and cash equivalents of US\$5.1 million (31 December 2022: US\$0.9 million) and net current assets of US\$8.8 million (31 December 2022: US\$7.5 million), which the Directors believe will be sufficient to maintain the Group's liquidity over the going concern period, including continued investments to meet existing financial commitments and to deliver future growth.

#### **(d) Functional and presentation currency**

Items included in the interim financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the Group is United States Dollars ('US\$'), and the financial information is presented in US\$ since most of the companies comprising the Group are operating in US\$ environment.

In the individual financial statements of the Group's entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the exchange revaluation gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the condensed consolidated financial information, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into US\$. Assets and liabilities have been translated into US\$ at the closing rates at the reporting dates. Income and expenses have been converted into US\$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been dealt with separately in other comprehensive income and the translation reserves in equity.

### **3. ACCOUNTING POLICIES**

#### **(a) Basis of consolidation**

On consolidation, the results and financial position of foreign operations are translated into the presentation currency of the Group, as follows:

- Assets and liabilities for the condensed consolidated statement of financial position presented are translated at the closing rate at the reporting date;
- income and expense items are translated at exchange rates ruling at the date of the transactions;
- all resulting exchange differences are recognised in other comprehensive income (foreign exchange reserves); and
- cash flow items are translated at the exchange rates ruling at the date of the transaction

Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the condensed consolidated financial statements. Unrealised losses are

also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the condensed consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by IFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

## **(b) Subsidiaries**

A subsidiary is an investee over which the Group is able to exercise control. The Group controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

## **(c) Goodwill**

Goodwill represents the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree over the fair value of the identifiable assets and liabilities measured as at the acquisition date.

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

#### **(d) Merger accounting**

Merger accounting is used for the Company inserted as the holding company of the Group, as part of the carve-out reconstruction described in Note 2(a), while the ultimate controlling parent has remained the same. This method treats the Company, together with its subsidiaries, as if they had been merged throughout the current and comparative accounting periods.

The net assets of the combining entities or businesses use the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the carve-out reconstruction, to the extent of the continuation of the controlling parties' interest. When the Company was inserted as the holding company of the Group, the excess of the carrying amount of integrated net assets over the consideration to Amicorp Group is represented as a merger reserve in equity in the condensed consolidated statement of financial position.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the carve-out reconstruction that are to be accounted for by using merger accounting are recognised as an expense in the period in which they are incurred.

#### **(e) Tangible assets**

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of tangible asset includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Tangible assets are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Machinery and equipment	3 – 10 years
Furniture and fixtures	3 – 10 years
Motor vehicles	3 – 5 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of tangible assets is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

## **(f) Financial instruments**

### ***(i) Financial assets***

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group only has the following type of debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows and the cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

### ***(ii) Impairment loss on financial assets***

The Group recognises allowances for expected credit loss ('ECL') on trade receivables and other receivables that are financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade and other receivables using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets, such as amount due from related companies, deposits, prepayments and other current assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that

is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the counterparty is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 30 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e., the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

### ***(iii) Financial liabilities***

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

#### Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

#### Financial liabilities at fair value through P&L

Any contingent consideration, arising from business acquisitions, is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that does not meet the definition of an equity instrument is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

### ***(iv) Effective interest method***

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

### ***(v) Equity instruments***

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

### ***(vi) Derecognition***

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged,

cancelled or expires. Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the respective years.

### **(g) Revenue recognition**

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Revenue comprises the provision of fund administration services, regulatory and compliance services and also business process outsourcing services. Fund administration services represent fund onboarding, registrar and transfer agency and NAV calculation, and preparation of financial statements; regulatory and compliance and business process outsourcing include services of AML, directorship, board support, FATCA, CRS and other tax reporting. These fund services revenues are recognised when the relevant services are rendered and the customer simultaneously receives and consumes the benefits provided.

### **(h) Income taxes**

Income taxes for the reporting period comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes.

Except for recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

### **(i) Foreign currency**

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the 'functional currency') are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. United States dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

### **(j) Employee benefits**

#### **(i) Short term employee benefits**

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised

in the year when the employees render the related service.

(ii) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

(iii) Termination benefits

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

**(k) Provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

**(l) Impairment of other assets**

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- tangible assets and intangible assets;
- investments in subsidiaries

If the recoverable amount (i.e., the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

**(m) Related parties**

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions apply:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of the employees of the group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a); or
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

#### **4. KEY ACCOUNTING ESTIMATES**

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Key sources of estimation uncertainty**

In addition to information disclosed elsewhere in this financial information, other key sources of estimation uncertainty that have a significant risk of resulting a material adjustment to the carrying amounts of assets and liabilities within next financial year are as follows:

##### **(i) Impairment of financial assets measured at amortised cost**

Management estimates the amount of loss allowance for ECL on financial assets that are measured at amortised cost based on the credit risk of the respective financial asset. The loss allowance amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows after taking into consideration of expected future credit loss of the respective financial asset. The assessment of the credit risk of the respective financial asset involves high degree of estimation and uncertainty. When the actual future cash flows are different from expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

## 5. SEGMENTAL REPORTING

The Group's decision makers, consisting of the chief executive officer, chief operating officer, the chief financial officer and the manager for corporate planning, examines the Group's performance from a fund service provider's perspective and has identified three reportable segments of its business under IFRS 8.

The reportable segments are identified as fund administration, business process outsourcing and regulatory and compliance. Management primarily uses a measure of net earnings by services to assess the performance of the reportable segments.

The customer base is primarily institutional clients, including private equity funds, family offices and hedge funds. No individual client represents more than 5% of revenue in the six month period ended 30 June 2023 (30 June 2022: same).

<u>Period ended 30 June 2023</u>	Revenue	Direct staff cost	Other direct costs	Gross profit
	US\$'000	US\$'000	US\$'000	US\$'000
Fund Administration	4,347	(1,557)	(284)	<b>2,506</b>
Business Process Outsourcing	2,065	(179)	-	<b>1,886</b>
Assurance and governance <sup>1</sup>	675	(238)	-	<b>437</b>
Total	7,087	(1,974)	(284)	<b>4,829</b>
Indirect staff costs				(1,519)
Other operating expenses				(1,058)
IPO expense				(1,201)
Finance costs				(23)
Profit before income tax				<b>1,028</b>
<u>Period ended 30 June 2022</u>	Revenue	Direct staff cost	Other direct costs	Gross profit
	US\$'000	US\$'000	US\$'000	US\$'000
Fund Administration	4,297	(1,254)	(233)	<b>2,810</b>
Business Process Outsourcing	2,166	(147)	-	<b>2,019</b>
Assurance and governance <sup>1</sup>	409	(120)	-	<b>289</b>
Total	6,872	(1,521)	(233)	<b>5,118</b>
Indirect staff costs				(1,086)
Other operating expenses				(743)
IPO expense				(502)
Finance costs				(18)
Profit before income tax				<b>2,769</b>

<sup>1</sup> Assurance and Governance services is formerly known as Regulatory and Compliance services.

The amount of its revenue from external customers broken down by geographical region of contracting Group entities is shown in the table below.

#### Geographical revenue

	Period ended 30 June	
	2023	2022
	US\$'000	US\$'000
LATAM	1,468	1,043
Europe	1,974	1,655
MEAI <sup>1</sup>	3,645	4,174
	<b>7,087</b>	<b>6,872</b>

<sup>1</sup> MEAI means Group's operations in the geographical region of Middle East, Asia and India.

#### 6. OTHER OPERATING EXPENSES

	Period ended 30 June	
	2023	2022
	US\$'000	US\$'000
Business development expense	71	10
Statutory fee expenses	17	29
Travelling expenses	177	118
Other overhead expenses	138	73
	<b>403</b>	<b>230</b>

#### 7. PAYROLL AND REMUNERATION COSTS

	Period ended 30 June	
	2023	2022
	US\$'000	US\$'000
Employee costs (including directors) comprise:		
Wages and salaries	3,428	2,544
Contributions on defined contribution retirement plans	8	14
Other employment benefits	57	49
	<b>3,493</b>	<b>2,607</b>

#### 8. INCOME TAX

	Period ended 30 June	
	2023	2022
	US\$'000	US\$'000
Current income tax	291	579
Deferred income tax	7	-
<b>Total tax charge for the period</b>	<b>298</b>	<b>579</b>

## 9. TRADE RECEIVABLES

	As at the period / year ended	
	Jun-2023	Dec-2022
	US\$'000	US\$'000
Trade receivables	1,263	1,599
Less: loss allowance	(77)	(78)
	<u>1,186</u>	<u>1,521</u>

## 10. OTHER PROVISIONS AND PAYABLES

	As at the period / year ended	
	Jun-2023	Dec-2022
	US\$'000	US\$'000
<b>Current</b>		
Other payables	18	4
Other provision	151	112
VAT payables	8	5
Payment in advance from customers	26	8
	<u>203</u>	<u>129</u>

### Deferred consideration – financial liabilities measured at FVTP&L<sup>1</sup>

	As at the period / year ended	
	Jun-2023	Dec-2022
	US\$'000	US\$'000
Current	231	213
Non-current	-	-
	<u>231</u>	<u>213</u>

<sup>1</sup> In October 2021, the Group acquired 100% of equity interests of Amicorp Administradora General de Fondos SA (formerly known as ECUS Administradora General de Fondos SA) for a total discounted consideration of CLP588 million (US\$706k), comprised of: (i) initial cash consideration of CLP417 million (US\$501k); (ii) discounted deferred cash consideration of CLP171 million (US\$205k) payable by no later than October 2023. The acquiree has been accounted for as subsidiaries of the Group since the acquisition date. The acquisition was made as part of the Group's strategy to expand its business in Chile.

The future consideration due to the seller will become payable by October 2023, and the undiscounted payable amount is the undiscounted deferred base payment of CLP 188m plus/minus CLP 60m depending on the outcome of certain pre-acquisition tax credit claims submitted by the seller to the local authorities in Chile, in accordance with the acquisition agreement.

The deferred consideration is measured at FVTP&L, and the fair value is remeasured at every reporting date. Also, the Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period, and management has decided that the deferred consideration is classified as level 3, given the significant inputs are not based on observable market data.

The valuation technique used is discounted cash analysis, with the following table summarising the details:

Description	Valuation techniques	Significant inputs	Sensitivity of the fair value measurement to input
Contingent consideration	Discounted cash flow.  Expected net cash outflows are estimated based on the terms of the share purchase agreements and the group's expectations of outcomes of tax credit claims.	Discount rate of 5.00%  Expected undiscounted cash outflows of CLP 188.8m (US\$ 235.1k)	An increase in the discount rate of 100 basis points would decrease the fair value by US\$ 1k as at 30 Jun 2023 (31 Dec 2022: US\$ 2k).  Management does not consider the value of expected future cash outflows will change materially during the upcoming period up to the maturity date.

## 11. LEASES

This note provides information for leases where Group is a lessee within the scope of IFRS 16. In the financial year ended 31 December 2021, Group initiated an IFRS 16 office lease spanning 5 years, and in the subsequent year, Group entered into two more office leases in January and June 2022 respectively, each with lease terms of 2 years and 3.5 years respectively. During the current interim financial period to 30 June 2023, an additional office lease was ascertained and commenced in February for a lease term of 3 years.

AFSA Group does not have options to purchase certain offices for a nominal amount at the end of the lease term. Also, these leases do not contain variable lease payments throughout the lease terms.

The total cash outflow for leases amount to US\$110k in the six month period to 30 June 2023 (in the year ended 31 December 2022: \$117k).

(i) Right of use assets

	<b>Office premise US\$'000</b>
<b><u>Cost</u></b>	
<b>At 1 January 2022</b>	262
Additions for the year	239
Exchange differences	(26)
<b>At 31 December 2022</b>	<b>475</b>
Additions for the period	351
Exchange differences	1
<b>At 30 June 2023</b>	<b>827</b>
<b><u>Accumulated depreciation</u></b>	
<b>At 1 January 2022</b>	4
Depreciation for the year	110
Exchange differences	(3)
<b>At 31 December 2022</b>	<b>111</b>
Depreciation for the period	116
Exchange differences	(1)
<b>At 30 June 2023</b>	<b>226</b>
<b>Net carrying balance as at 30 June 2023</b>	<b>601</b>
<b>Net carrying balance as at 31 December 2022</b>	<b>364</b>

(ii) Lease liabilities

	<b>Office premises US\$'000</b>
<b>At 1 January 2022</b>	260
Additions	234
Interest expense	30
Lease payments	(117)
Exchange differences	(24)
<b>At 31 December 2022</b>	<b>383</b>
Additions	319
Interest expense	19
Lease payments	(110)
Exchange differences	1
<b>At 30 June 2023</b>	<b>612</b>

Discounted lease payments are due as follows:

	As at the period / year ended	
	Jun-2023	Dec-2022
	US\$'000	US\$'000
Within one year	227	146
In between one and two years	224	118
In between two and five years	161	119
	<b>612</b>	<b>383</b>

Undiscounted lease payments are due as follows:

	As at the period / year ended	
	Jun-2023	Dec-2022
	US\$'000	US\$'000
Within one year	260	150
In between one and two years	243	132
In between two and five years	171	155
	<b>674</b>	<b>437</b>
Less: Future finance charges	<b>(62)</b>	<b>(54)</b>
Lease liabilities	612	383
Disclosed as:		
Current	227	146
Non-current	385	237
	<b>612</b>	<b>383</b>

### (iii) Short term leases

Short-term leases are leases with a lease term of 12 months or less without a purchase option. Under IFRS 16, these leases are not included in right of use assets or lease liabilities, and such lease expenses are recognised in profit and loss when incurred; these short term leases are immaterial to Group in the six month period to 30 June 2023 (in the year ended 31 December 2022: same).

## 12. DIVIDENDS

Pre-listing dividends of \$5.8m had been declared by Amicorp Fund Services Asia Limited, before the Company, Amicorp FS (UK) Plc, was inserted on 26 May 2023 as the holding company of the Group, in line with the listing prospectus dated 5 June 2023.

During the interim period ended 30 June 2023, the Company did not declare dividends.

### 13. RELATED PARTIES TRANSACTIONS

#### (a) Transactions with Amicorp Group

The following transactions were carried out with related parties who are members of Amicorp Group.

	Period ended 30 June 2023 <sup>1</sup> US\$'000
Revenue	1,195
Rental and remuneration expenses	(1,155)

<sup>1</sup>Comparatives for the same period of the prior year are excluded, given the Group had not been legally incorporated during the six month period ended 30 June 2023. Transactions with Amicorp Group under the carve-out principles in the historical financial years are included in the HFI of the listing prospectus dated 5 June 2023.

	As at the period / year ended	
	June-2023 US\$'000	Dec-2022 US\$'000
Amounts due from related parties	<u>2,454</u>	<u>6,515</u>

The expected credit loss assessment does not have a material impact on the carrying amount of the amounts due from related companies, and no bad debt allowance associated with these balances was recognised.

#### (b) Transactions with related parties other than Amicorp Group

There has been no related party other than Amicorp Group that the Group enters into transactions with, related to fund administrative business, throughout the interim period. The Group's transactions are conducted on an arm's length basis.

#### (c) Transactions with key management personnel, remuneration and other compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Group, directly or indirectly.

The summary of compensation of key management personnel is as follows:

	Period ended 30 June	
	2023 US\$'000	2022 US\$'000
Salaries and short-term benefits	<u>372</u>	<u>334</u>

## **14. FINANCIAL RISK AND CAPITAL MANAGEMENT**

The Group's major financial instruments include trade receivables, other receivables and deposit, amounts due from related companies, cash and cash equivalent and trade payables which are disclosed in respective notes. The risks associated with these financial instruments include liquidity risk, foreign currency risk, credit risk and interest rate risk. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

### **(a) Liquidity risk and Capital management risk**

Our assessment of liquidity risk and capital management risk remain consistent with what was disclosed in the HFI included in the prospectus dated 5 June 2023, indicating no alterations. There has not been any bank facility or financial covenants in the six month period to 30 June 2023 (2022: same).

### **(b) Foreign currency risk**

The Group operates internationally and is exposed to foreign exchange risk arising from its ongoing transactions and the financial assets and liabilities denominated in foreign currencies. Foreign exchange risk also arises from financial assets and liabilities denominated in the functional currencies in which they are measured. Translation exposures with a functional currency different from Group's presentation currency are not included in the assessment of Group's exposure to foreign currency risks in accordance with IFRS 7 – Financial Instruments: Disclosures.

In countries where AFSA Group operates, except for Hong Kong, income and expenditure are predominantly derived in respective functional currencies and management therefore considers the transactional related foreign exchange risk is insignificant. In Hong Kong, income is predominantly derived in US\$ whilst the expenditure is in HK\$. Because of HK\$ having been pegged to US\$ at a fixed rate of 7.8 by Hong Kong government since 1983, it is concluded that its foreign currency risk against US\$ is minimal in the jurisdiction. Overall, the Group is not subject to significant foreign currency risks.

### **(c) Credit risk**

The Group's credit risk is primarily attributable to its trade and other receivables, contract assets and amounts due from related parties. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Management of credit risk involves a number of considerations, such as the financial profile of the counterparty, and specific terms and duration of the contractual agreement.

The Group measures loss allowances for trade and other receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases. The Group does not have any significant credit risk exposure to any individual client or counterparty.

### **(d) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management considers the interest rate risk as insignificant to the Group since there has been no interest bearing borrowings, significant interest income or tangible assets with fair values substantially subject to interest rates.

### **(e) Fair value of financial instruments carried at other than fair value**

The fair value of financial instruments represents the amount at which the instrument could be exchanged in a current transaction between willing parties, other than a forced sale or liquidation. The carrying amounts of the Group's financial instruments carried at amortised cost approximate their fair values as at 30 June 2023 (2022: same).

## **15. EVENTS OCCURRING AFTER THE REPORTING PERIOD**

There has been no subsequent event as of the report date.

## **16. CONTINGENT LIABILITIES**

The Group has no contingent liabilities arising in the ordinary course of business, which would be material in the context of the Group's condensed consolidated financial position.

### **Principal Risks and Uncertainties**

The Group faces a number of risks and uncertainties that may have an adverse impact on the Group's operation, performance or future prospects.

Set out in the listing prospectus dated 5 June 2023 were details of the principal risks and uncertainties for the Group and the key mitigating measures applied, applicable at that time.

The Board regularly assesses and monitors the principal risks and uncertainties of the business, and considers that they have not changed and remain relevant for the remaining six months of the 2023 financial year.

Such principal risks and uncertainties are summarized as follows:

#### **Fiduciary risk**

The Group acts in a fiduciary capacity as directors and AML officers to its clients which carries specific legal obligations, including certain fiduciary duties as well as responsibility for decision making. Breaches of such specific legal duties and obligations could give rise to a claim against the Group and its employees, and/or sanctions from the Group's regulators.

#### **Risk-based approach to AML and KYC for the Group's business**

The Group applies a risk-based approach to AML and KYC in conducting its business in jurisdictions in which the Group may or may not be required to be licensed. Whilst regulatory authorities commonly mandate a risk-based approach to AML and KYC and publish regulatory guidelines and regulatory expectation as to the standards that should be applied in a risk-based approach, there is no assurance that the Group's procedures will in all cases meet all the guidelines and/or regulatory expectation where such guidelines or published regulatory expectations may be open to differing interpretations or lacking legal clarity.

#### **Dependency on key personnel**

The Group is dependent upon key senior management personnel who direct the implementation of the Group's strategy and business growth. If the Group's senior management were to depart, or otherwise cease to be able to perform their duties for the Group, the Group may not be able to identify and recruit adequate replacements in a timely manner, or at all, and the Group's business may suffer disruption or other damage.

#### **Risks relating to performance**

The Group's clients are engaged in complex activities involving investments in financial instruments and multi-jurisdictional structures. Whilst the Group's staff are trained and experienced in providing services relating to such activities and deliver services within an operating environment that has been

developed and tested to prevent errors, the complexity of the activities can mean that it is difficult to fully eliminate the possibility of staff making errors.

#### Importance of ability to maintain and develop existing client relationships

A large proportion of the Group's revenues are derived from servicing existing fund clients and client structures. There can be no assurance that existing client relationships will continue to grow or that key clients will not choose to move the servicing of their funds and structures to the Group's competitors.

#### Ability to maintain current referral relationship to gain new clients

The Group has been partially reliant on receiving new client and work referrals from established referral relationships with on-shore and off-shore legal advisers, asset management businesses, independent advisors and consultants, accounting firms and other professional intermediaries, as well as the Amicorp Group and its affiliated business. If the Group is unable to retain and sustain these relationships, this could have a material adverse effect on the Group's business, results of operations or financial condition.

#### Risks associated with growth and acquisitions

Continued growth in the Group's overall client base would require further investment by the Group in personnel, facilities, information technology, financial management and controls. There is no assurance that the Group would be successful in deploying investment to augment its service offering and overall business scale.

#### Relationship with the Amicorp Group

Whilst the Pre-IPO reorganisation has been effected at arm's length and such that all of the operations of the fund services business were carved-out from Amicorp Group, the Group is still reliant on the certain contractual undertakings with the Amicorp Group with respect to its Luxembourg and India operations. In the event that the Amicorp Group does not comply with such undertakings in full or in part, the ability of the Group to continue to operate and generate revenue from the fund services business in such jurisdictions could be impaired.

#### Variable fee risk

The Group's fees are based on a mix of fixed and variable fees. The precise proportion of the Group's variable fees may differ depending on asset size of funds, client preference, activity levels and sector norms. Besides, individual asset classes are susceptible to fluctuations in performance driven by, among other things, macroeconomic factors, changing regulatory obligations, changing taxation legislation, and shifts in client preferences and demands.

#### Reliance on third party fund administration systems

The services provided by the Group rely considerably on third party fund administration systems. Whilst the Group has contracts in place with each these systems, were a disruption to occur to the support provided by them, this might adversely affect the Group's ability to service its clients in keeping with contracted and expected service levels.

#### Business continuity risk and IT security

The Group's business is dependent on the capacity and reliability of the IT and communication systems that support its operations. A large part of services are delivered through electronic means, including via public and private communications networks. These IT and communications systems and networks can be subject to performance degradation or failure for reasons within or outside the control of direct suppliers.

#### Disputes and litigation risk

The Group's activities as a professional service provider across multiple jurisdictions with separate legal and regulatory requirements give rise to the risk of potential disputes, legal proceedings or claims

both from clients directly or indirectly or from other parties who may be counterparties to transactions which, whilst the Group is not a party to them as a principal, it may be acting as an agent on behalf of clients involved in them.

#### Pricing risk

The fund, corporate and private client services industry is well developed and is a highly competitive environment and the Group may face increased competition and price pressure in the markets and jurisdictions in which it operates.

#### Currency fluctuation risks

As the Group conducts business across multiple jurisdictions, the Group may be exposed to financial risks associated with fluctuations in currency exchange rates, primarily, at present, between, Euros, US dollars, Hong Kong dollars, Singapore dollars and Chilean Pesos.

#### **Statement of Directors' Responsibilities**

Each of the Directors whose names appear below confirms that, to the best of his or her knowledge:

- the condensed set of financial statements gives a true and fair view of the assets, liabilities, financial position, and profit or loss of the issuer, or undertakings included in the consolidation, as required by DTR 4.2.4R and prepared in accordance with UK adopted IAS 34 'Interim Financial Reporting';
- the interim management report includes a fair review of the information required by DTR 4.2.7R, namely:
  - an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements; and
  - a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- the interim management report includes a fair review of the information required by DTR 4.2.8 R, namely:
  - related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period; and
  - any changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first six months of the current financial year.

The Directors of Amicorp FS (UK) Plc as at the date of this announcement are as follows:

#### **Executive Directors**

Chi Kin Lai, Chief Executive Officer

Tat Cheung (Stephen) Wong, Chief Financial Officer

Kiran Kumar Gundu Rao, Chief Operations Officer

#### **Non-Executive Directors**

Antonius Knipping, Chairman

Kathy Byrne

Patrick Byron

Approved by the Board and signed on its behalf by:

**Chi Kin Lai**  
Chief Executive Officer

**Tat Cheung (Stephen) Wong**  
Chief Financial Officer

